

***Proposed Substitute
Bill No. 5733***

LCO No. 5833

***AN ACT AUTHORIZING THE STATE TREASURER TO DIVEST FUNDS
FROM FOSSIL FUEL COMPANIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2015*) (a) For the purposes of
2 this section:

3 (1) "Company" means any corporation, utility, partnership, joint
4 venture, franchisor, franchisee, trust, entity investment vehicle,
5 financial institution or other entity or business association, including
6 all wholly-owned subsidiaries, majority-owned subsidiaries, parent
7 companies or affiliates of such entities or business associations, that
8 exist for the purpose of making profit;

9 (2) "Fossil fuel company" means any company that is involved in the
10 exploration and production of fuel that is formed from plant or animal
11 remains, including coal, oil or natural gas; and

12 (3) "Investment" means the commitment of state pension funds or
13 other assets to a company through an actively managed investment
14 account that holds publicly traded equities. "Investment" does not
15 include an investment in a passive index fund or a private commingled
16 fund in which state funds are invested.

17 (b) The State Treasurer shall review the major investments of the
18 state for the purpose of determining the extent to which state funds are
19 invested in fossil fuel companies. Whenever feasible and consistent
20 with fiduciary duties of the Treasurer, the Treasurer shall encourage
21 fossil fuel companies in which state funds are invested to take actions
22 to reduce environmental harm and preserve the sustainability of such
23 company.

24 (c) The Treasurer may divest, decide to not further invest state
25 funds or to not enter into any future investment in any fossil fuel
26 company. In the event that the Treasurer determines that divestment
27 of state funds from a fossil fuel company is warranted, the Treasurer
28 shall give notice of such determination to such company.

29 (d) The State Treasurer shall, at least once per fiscal year, provide
30 reports to the Investment Advisory Council on actions taken by the
31 State Treasurer pursuant to the provisions of this subdivision.

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This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	New section